

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF CASNER & EDWARDS, LLP
FOR THE NINTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Casner & Edwards, LLP for the Ninth Interim Period.

BACKGROUND

1. Casner & Edwards, LLP ("Casner & Edwards") was retained as special litigation counsel to the Debtors. In the Application, Casner & Edwards seeks approval of fees totaling \$51,043.50 and costs totaling \$40,061.51 for its services from April 1, 2003, through June 30, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Casner an initial report based on our review, and received a response from Casner, portions of which response are quoted herein.

DISCUSSION

General Issues

3. In our initial report, we noted that the time entries were generally adequately detailed and devoid of lumping.

Specific Time and Expense Entries

4. We noted an entry on April 9, 2003, for hotel charges totaling \$953.98 that may be excessive. The entry is provided below.

04/09/03	FLEET BANK N.A. - Marriott Long Wharf - hotel charges for Jack Wolter for 2/24-2/26/03 for preparation and deposition in ZAI Science Trial.	953.98
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Paragraph II.E.1. of the Guidelines states, “. . . [f]actors relevant to a determination that the expense is proper include the following: 1. Whether the expense is reasonable and economical. For example, first class and other luxurious travel mode or accommodations will normally be objectionable. We asked Casner to state the city in which the stay occurred and the per-day price of the hotel room. Casner provided a complete record of the hotel charges in question. After review, we had no objection to most of the expenses detailed, but we subsequently questioned three lounge charges totaling \$104.71 and asked Casner to further explain those charges. Casner responded as follows:

One of the three lounge charges can be supported as a meal expense in full and a portion of a second lounge charge can also be supported as a meal expense. Specifically the \$38.24 charge on 2/25/03 was for chowder, sandwich and two drinks. A portion of the 2/26/03 lounge charge was for a sandwich and two drinks, totaling \$27.11, including the portion of the tax and tip attributable to those specific charges. We agree to a reduction of \$39.36, specifically \$21.00 for the lounge charge of 2/24/03, plus \$18.36, the balance of the lounge charge for 2/26/03.

We accept this explanation and thus recommend a reduction of \$39.36 in expenses.


5. We have no objections to, or issues with, any of the other fees or expenses sought in the Application.

CONCLUSION

6. Thus, we recommend approval of fees totaling \$51,043.50 and costs totaling \$40,022.15 (\$40,061.51 minus \$39.36) for Casner's services from April 1, 2003, through June 30, 2003.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.


By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 25th day of September, 2003.



Warren H. Smith

SERVICE LIST

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